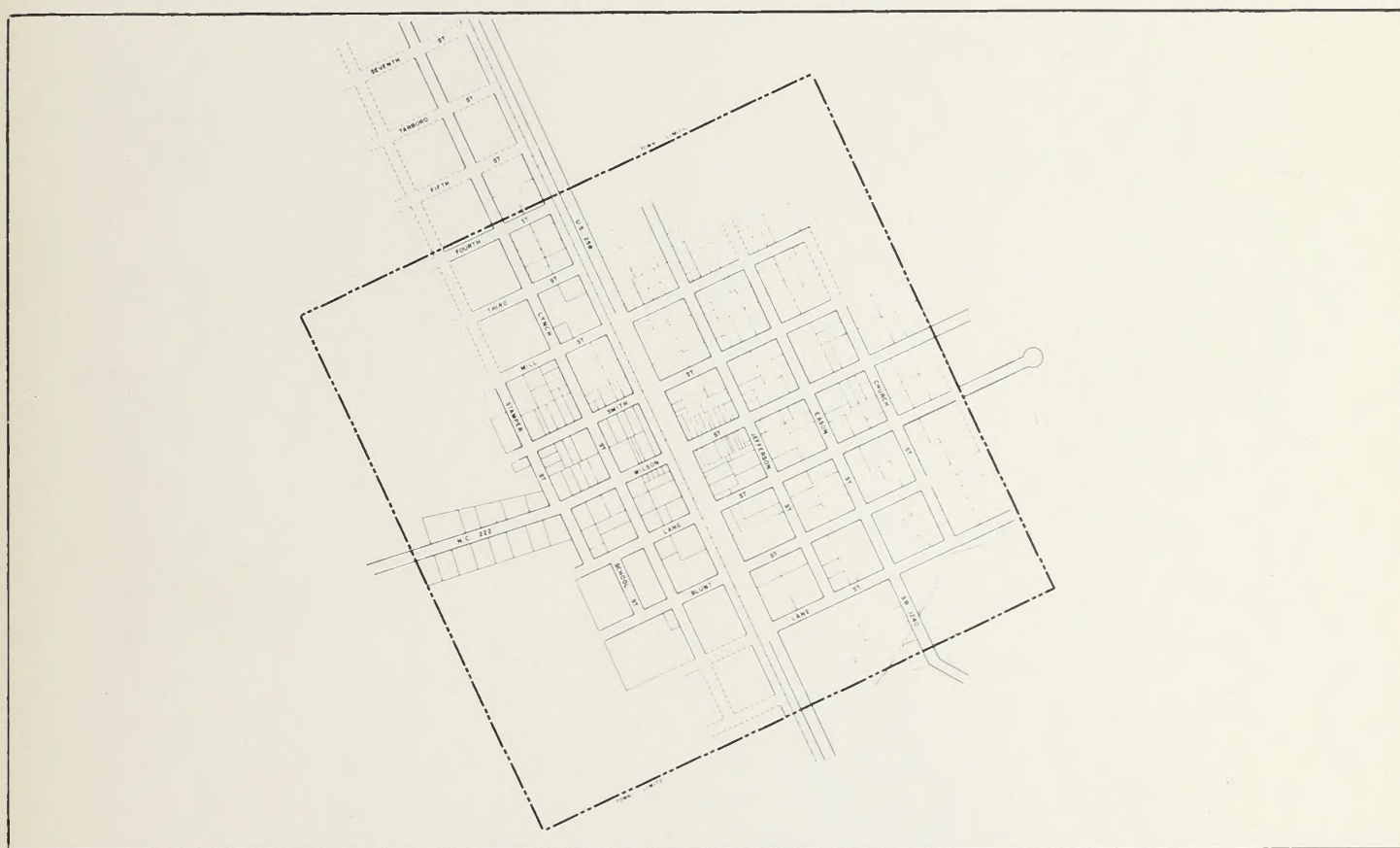


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Initial Housing Element Fountain, North Carolina



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INITIAL HOUSING ELEMENT

FOUNTAIN, NORTH CAROLINA

SEPTEMBER 1978

The preparation of this report was financially aided through a federal grant from the Department of Housing and Urban Development, under the Urban Planning Assistance Program authorized by Section 701 of the Housing Act of 1954, as amended. The grant was made through the North Carolina Department of Natural Resources and Community Development.

SUMMARY STATEMENT

Fountain Initial Housing Element

The Initial Housing Element for Fountain includes an analysis of the factors affecting housing conditions and the increase of housing stock in the town. The factors considered included population and economic trends, housing conditions, crowding conditions, housing needs and community facilities availability. Based upon an analysis of these conditions and upon the goals and objectives determined by the town's Board of Commissioners, future housing is projected for the town. Accompanying the housing element is a discussion of public actions and other measures recommended to achieve implementation of the housing element.

Essential parts of the housing element are explained below. The reference numbers are to paragraphs of the Federal Register of 8/22/75 and amendments to it of 2/1/77.

Reference

A letter of transmittal is found on the first page of this document.

600.73 (a)

The following comments describe how each housing element requirement has been met:

600.73 (c)

- 1) A data analysis of housing conditions is found on pages 7 to 10 and 11 to 14. 600.70 (a), (b)
- 2) Projected needs by geographic sectors are found on pages 7 to 10 and 15 to 22. 600.70 (a), (b)
- 3) Broad goals and measurable annual objectives are found on pages 23 to 26. 600.67 (b)
- 4) Policies to eliminate discrimination are found on page 34. 600.70 (a), 2
- 5) Policies to preserve the existing housing stock are found on pages 32, 33 and 26. 600.70 (a), 3
- 6) Coordination mechanisms with other levels of functional planning, policy development and investment strategies are found on pages 34 and 35. 600.70 (a), 4
- 7) Defined policies, strategies and proposals to accomplish goals and objectives are found on pages 33 and 34. 600.70 (b), (2) or (3)
- 8) A defined set of criteria for future evaluation of housing programs and activities is found on page 35. 600.67 (b)

- 9) A projected distribution of housing resources (assisted and non-assisted) by range of housing types is found on pages 15 to 22. 600.70 (b) (2) or (3)
- 10) The environmental assessment is found on pages 36 to 39. 600.65 (b)
- 11) The historic preservation assessment is found on pages 40 to 43. 600.66 (d)

The Land Development Plan of Fountain is being submitted for certification along with the Initial Housing Element. 600.73 (c), (d)

Because this was an initial housing study in Fountain no additional studies were cited with the exception of the Land Development Plan. 600.73 (c), (d)

This document has been approved by the Fountain Board of Commissioners as noted in the letter of transmittal. 600.73 (e), (1)

The Fountain Initial Housing Element is consistent with the following programs: 600.73 (c), (6)

Coastal Area Management Act (Fountain is not in an area directly affected by this act)

Areawide Waste Treatment Management Program

Pollution Control Act of 1972

State Implementation Plan of Clean Air Act of 1967 as amended

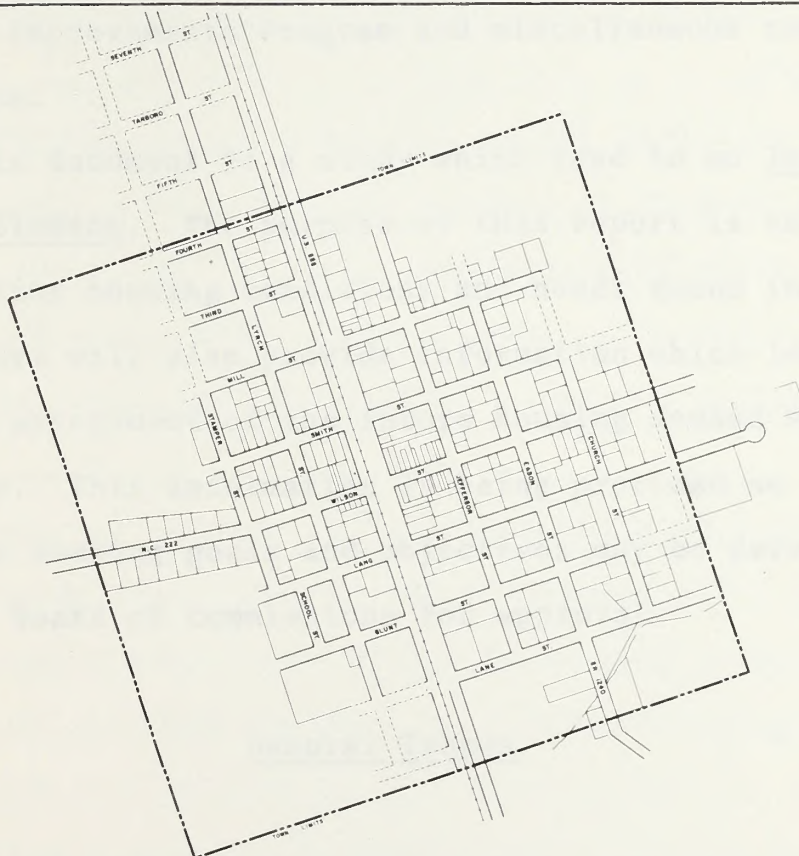
State Comprehensive Outdoor Recreation Plan of Land and Water Conservation Fund Act of 1965, as amended.

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CHAPTER I

Population and Economy



CHAPTER I

Purpose and Scope

INTRODUCTION

Town officials recognize the necessity of continuing to upgrade housing and community conditions in Fountain. The town, therefore, entered into a contract with the Mid-East Commission for local technical assistance services. The contract calls for three community planning services: technical studies developed into an Initial Housing Element; a Public Improvements Program and miscellaneous technical assistance.

This document is a study which lead to an Initial Housing Element. The purpose of this report is to analyze the existing housing conditions and needs found in the town. This report will also provide information which leads to an accurate assessment of the future housing demand within the community. This information is being provided so that realistic housing goals and objectives may be developed by the town board of commissions for approval.

General Trends

Population Trends

The town of Fountain has witnessed a decline in its

population in the recent past while Pitt County has had a general increase in population. This decline in the town's population may have been reversed as the North Carolina Department of Administration estimates the 1976 population to have increased since the 1970 Census of Population. There is evidence however that this is not the case.

In order to develop sufficient information for this report a randomly selected door to door survey was conducted. The survey was designed to approach approximately fifty percent of the town's households. All of the designated households were not contacted; approximately 75% of those designated were contacted representing 38% of the towns households.

Statistical theory does not provide formulae for random selection of a small population (i.e. under 1000). Precise statistical measures for this survey are not available but it is reasonable to assume that the results of the survey generally reflect the conditions in Fountain as a whole.

Based upon the door to door survey, the current (January 1978) population of Fountain is estimated to be 390. This estimate was computed from the estimated average household size and the number of occupied dwelling units within the town. Through the survey, in addition to population estimates, specific characteristics of the community can be determined.

The average age of the population of Fountain was found to be 44.4 years. The 1970 median age for the Fountain township was 28.7 years. This might indicate that Fountain has an aging population base. Such conclusions, however, are not fully justified because the two statistical measures are not identical and the general areas to which they refer are different.

When the sample population is categorized by age groupings it is found that 29% of the sample were over age sixty. This is more than twice the proportion found for the state as a whole in 1970. It is also more than twice of that found in Pitt County in 1970. On the other end of the scale the proportion of those less than 18 years of age was found to be less than 17% of the sample total. This figure is less than one half of that for the state as a whole in the 1970 census and much less than one half of the figure found for the county as a whole in 1970.

These comparisons should be made with caution because the tendency for the nation as a whole has been one of leading toward an older average age. Since the comparisons are made with data which is nearly ten years old, hard conclusions are not in order. There is strong evidence, however, which indicates that Fountain is developing a population base which is growing older at a rate which is greater than the general population.

The racial composition of Fountain, according to the survey, was found to be approximately 67% White and 33% Black.

Other demographic characteristics which directly pertain to an assessment of housing need will be presented in a later part of the report.

Local Economy

As indicated in the Land Use Plan, Fountain has a long history of being a market community for farm products and agricultural commerce. Today, local agricultural sales and storage still make a substantial contribution to the economy of Fountain. Although a great deal of commercial growth in Fountain has not occurred recently.

In urban economic theory, the relative degree to which a town's population is employed within the town indicates the autonomy of the local economy. In other words, a town's economic health is related to its ability to favorably influence the economic environment of the town's population. In Fountain 44% of the sample who are employed are employed within Fountain. This figure indicates that the town is not simply a bedroom community but has a substantial locally generated economy.

The diversification of employment within the sample was fairly high. Of those employed within Fountain the greatest proportion were employed in services (28%) and manufacturing (28%). Employment in the sales category represented (24%) and miscellaneous categories made up the rest.

The percentage of those employed was fairly low. Forty eight percent of those between eighteen and sixty five are employed. Many respondents indicated that they received disability compensation, however, this low employment figure indicates that unemployment difficulties exist within Fountain.

Major employment centers for workers living in Fountain were found to be Fountain (44%); Tarboro (19%); Farmville (15%) and Pitt County (13%). These figures indicate that the town is not an economic satellite of any one community but is well situated for employees working in several areas.

One final type of economic analysis, and possibly the most important one examines the sensitivity of different kinds of employment to economic fluctuations. Studies over the years have examined the ways certain industries can withstand economic hard times. While all are affected by recessions, not all industries are affected equally. It has been noted that educational institutions, health related facilities and food production industries are hurt less during recessions than industries manufacturing petroleum products, electrical equipment, lumber basic products or glass products.

Employment in the various areas has been classified into five (5) categories according to their susceptibility to economic recession. Over 36% of those sampled were working in industries which receive little or marginal adverse affect during economic recessions. The distribution of

employment according to the five categories appears to be symmetrical. It appears therefore that the town would be affected by an economic recession in a manner which would be typical of most communities throughout the United States.

CHAPTER II

HOUSING INVENTORY

In order to determine the status of housing conditions within Fountain, a survey of the residential structures was performed. This survey, conducted during September and October 1977, considered only the exterior conditions of the residential units. All residential structures within the town limits were rated. Houses were classified in three (3) general categories:

Single Family Units - A residential structure designed for and used by a single family for occupancy as a separate living quarter.

Multi-Family Unit - A residential structure used for occupancy by more than one family in separate living quarters.

Mobile Home - A residential structure designed and intended for occupancy by one family. Mobile homes differ from conventional single family housing units in that they originally had affixed wheels for moving from the place of manufacture to the residential site. (Note: prefabricated houses are not included in this category)

The main purpose of the housing survey was to examine the structural quality of each housing unit. Structures were

examined with particular attention being paid to the conditions of the roof, wall and foundation. After each examination a structure was given one of three ratings which are as follows:

Standard - A housing unit which appears to be physically sound and not in need of structural repairs or maintenance. Structures needing minor surface repairs or maintenance such as paint or window screens were given this rating. Standard structures do not exhibit deficiencies beyond the level of normal maintenance.

Deteriorating - A housing unit that appears to be in need of some kind of structural repairs to the roof, walls or foundation. The relative cost of such repairs would be minor in relationship to the potential value of the structure. Examples of such minor structural problems are roofs with missing shingles or badly rusted tin, excessively weathered cornices deteriorated window sill, deteriorated and sagging porches, warped siding, stilt foundations and foundations in need of repairs.

Dilapidated - Dilapidated housing units exhibit major deficiencies to the extent that they no longer provide adequate shelter to their inhabitants. The potential cost of renovating such structures would be beyond their potential market value.

In addition to these conditions it was noted whether the dwelling unit was occupied or not. New housing construction was noted as were additions or renovations of housing structures.

SURVEY RESULTS

A total of 169 housing units were surveyed in Fountain. This indicates a net increase of 2 dwelling units above that recorded in the 1970 Census of Population. Table 1 represents a summary of the findings according to category and condition. All of the houses were further located in one of four neighborhoods.

Housing Types - Eighty five percent of all housing units surveyed were the conventional single family type. Of all of the single family houses twenty-two (22) percent were found to be in substandard condition and nine and eight tenths (9.8) percent were found to be in dilapidated condition.

Five and three tenths (5.3) percent of the housing units surveyed were multi-family units. Of these multi-family units thirty-three (33) percent were found to be in dilapidated condition and fifty-five percent were found to be in substandard condition. Ten (10) percent of the housing units were found to be mobile homes. One mobile home unit was found to be substandard.

TABLE I

NUMERICAL BREAKDOWN

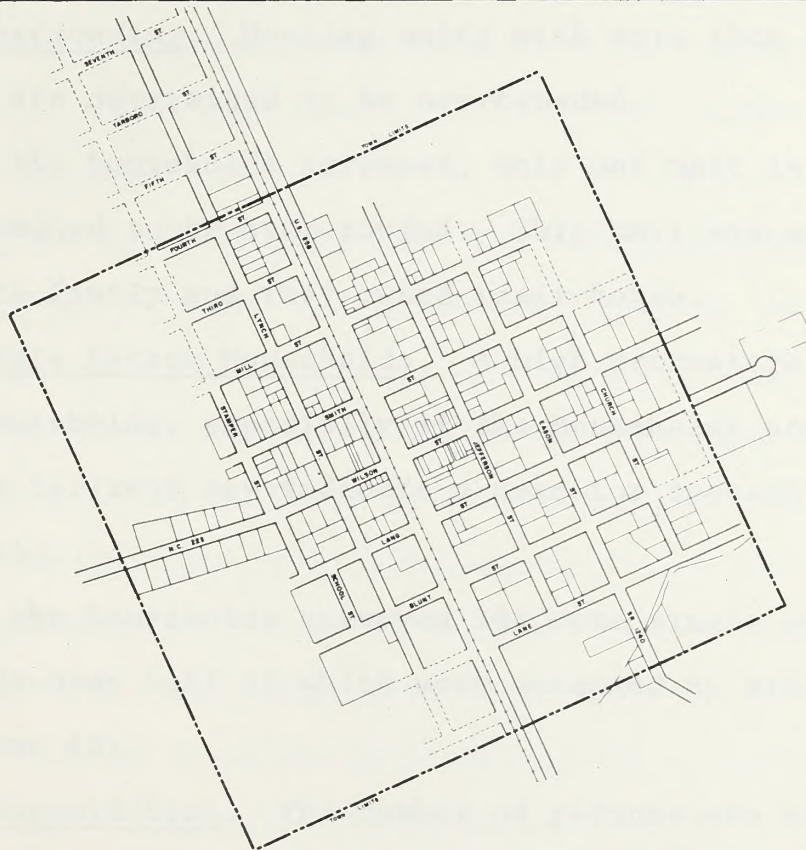
OF

HOUSING SURVEY

Section of Town	Single Family Houses in Sound Condition	Single Family Houses in Deteriorating Condition	Single Family Houses in Dilapidated Condition	Multi-Family Housing Units in Sound Condition	Multi-Family Housing Units in Deteriorating Condition	Multi-Family Housing Units in Dilapidated Condition	Mobil Homes
West of the railroad tracks and south of Wilson Street	13	1	1	--	--	--	3
East of the railroad tracks and south of Wilson Street	42	5	1	1	--	--	6
North of Wilson Street and East of the railroad tracks	26	15	6	--	3	3	8
North of Wilson Street and west of railroad tracks	18	10	6	--	2	--	--

CHAPTER III

Housing Characteristics



CHAPTER III

HOUSING CHARACTERISTICS

The results of the random sample survey of the households within Fountain are able to provide information about housing conditions within the town. This information in conjunction with other information can pin point conditions which warrant special attention. Factors such as overcrowding, household size, adequacy of plumbing facilities, home ownership and household mobility can give one a good idea as to the housing needs of a community.

Overcrowding. Housing units with more than one person per room are determined to be overcrowded.

Of the households surveyed, only one unit in Fountain was determined to be overcrowded. This unit was occupied by a Black family and they owned their house.

Single Person Households. A high percentage of single person households, especially if the households are occupied by senior citizens, may indicate a need for special housing for the elderly.

Of the households surveyed 18% were single person households over half of which were occupied by elderly women (older than 65).

Household Size. The number of persons who occupy a dwelling unit is the household size. Average household

size in Fountain appears to have declined somewhat during the past decade. The average household size in the Fountain township in 1970 was 3.44 persons per household. The random sample survey resulted in an average household size of 2.45 persons per household. Once again it would be incorrect to directly compare these two figures but they do tend to indicate a shrinking of the average size of households in the town. This may be explained through an aging population base and a relatively stable number of housing units over the past eight years. As the average family gets older the children leave home and do not remain within the town. As this occurs fewer people occupy the same number of housing units.

Plumbing Facilities. One indicator of the condition of housing by the U. S. Bureau of the Census is the lack of one or more plumbing facilities.

According to the 1970 Census of Housing (as indicated in the land use plan) there were 48 or 28.7% of the occupied housing units lacking one or more plumbing facilities. This is a higher figure of 23.4% for rural areas during the same period. The number of housing units without complete facilities has in all probability declined since 1970, but there is still a substantial proportion of the housing units without indoor plumbing.

Home Ownership. The percentage of a community's population which owns its occupied dwelling can be seen as a measure of the relative stability and general well being of a community.

Of the households surveyed 61.22 percent owned their dwelling unit.

Relative Mobility. The number of people who live in an area for less than five years tends to indicate the relative mobility of a community's population.

Twenty-six and one half (26.5) percent of those surveyed indicated that they had lived in their present dwelling for less than five years. This shows a high relative stability of the households within Fountain. The 1970 Census of Population reports that over 46% of the population of North Carolina lived in their dwellings for less than five years.

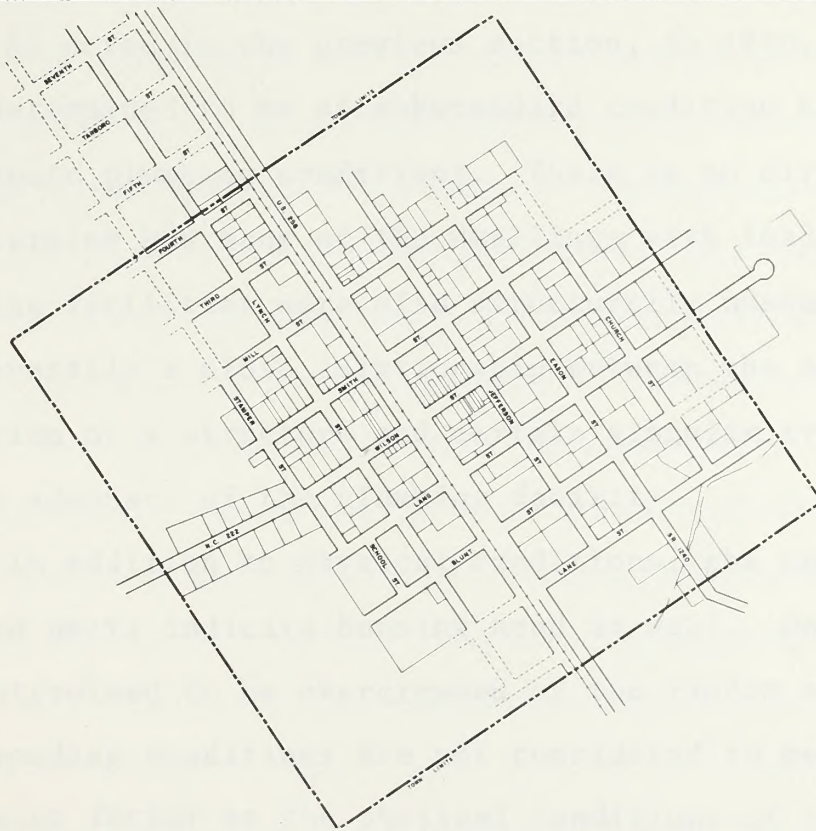
Vacancies. Vacancy rates are important as to the amount of upward mobility which a community can provide its residents. As families become more affluent they tend to vacate smaller units in favor of larger ones. The newly vacated units are then made available for other families desiring to locate into such a suitable unit. The number of vacancies tends to indicate the amount of choice which one has in finding a new residence which meets ones desires and budgetary constraints. If vacancy rates are high, generally the rent or sales price in the market will be

moderate given a normal demand for housing. The Federal Department of Housing and Urban Development uses a six percent base line vacancy rate as a general guideline in whether or not their housing assistance programs are needed to supply more housing. This six percent average may not reflect the demand for certain kinds of housing. Certain kinds of the housing stock such as single bedroom apartments or large family houses may not be given adequate consideration by this criterion.

The vacancy rate in Fountain for non-dilapidated housing was found to be 4.8%. That is 7 units were either vacant, for sale or for rent. With a continued local demand for housing in Fountain at its present rate it is anticipated that the vacancy rates for Fountain will remain below the six percent level for all housing types.

CHAPTER IV

Housing Requirements



CHAPTER IV

Housing Requirements

Housing Need

The term housing need refers to the number of housing units necessary to provide decent, safe and sanitary housing for all people in a given area. This section will examine the number of units necessary to meet present and future housing requirements. The next section will examine the kinds and types of housing units required to meet the projected needs.

As noted in the previous section, in 1970, 48 units were determined to be of substandard condition because of inadequate plumbing conditions. There is no direct manner to determine how many of the dwellings with inadequate plumbing facilities were also structurally unsound. There is, generally a close relationship between the overall condition of a structure and certain singular traits such as the adequacy of the plumbing facility.

In addition to physical conditions, the number of overcrowded units indicate housing need as well. Only one unit was determined to be overcrowded by the random sample survey. Overcrowding conditions are not considered to be as serious a housing factor as the physical conditions of the housing stock because market conditions will often require a certain minimum level of demand before new housing units are constructed.

The 1977 housing survey revealed 54 housing units to be in substandard condition (i.e., units rated either as deteriorating or dilapidated). This tends to indicate that overall structural conditions may have as significant an impact upon housing need as plumbing conditions. Based upon the structural conditions survey and the random sample household survey approximately 57 units are either structurally unsound or overcrowded.

Fountain has not vigorously enforced its building and housing codes in the past but the town is actively seeking community development funds to improve housing conditions within the town. An integral part of a community development program is close adherence to building and housing codes. Usually when a building code is conservatively enforced. On the average housing units are demolished twice as often as they are refurbished in order to meet code requirements.

Although every effort should be made to retain existing structure it is assumed that two thirds (66%) of the substandard units will be replaced. Applying these relationships, 38 new units will be needed to replace those units determined to be substandard because of structural or overcrowded conditions.

In order to forecast new housing need the projected population for Fountain must be considered. Once this is determined it can be divided by the average household size to estimate the number of housing units which will be required by the population increase. The Development Plan and the

Water and Sewer facilities study both rely upon Population Projections developed by the federal government for determining regional water requirements. The population projections are based upon the general Fountain area, not merely Fountain's incorporated territory. This study, however, concentrate solely upon the proposed present and future incorporated area of Fountain.

In order to use the population projections of the two planning studies previously mentioned it was necessary to make certain assumptions based upon historic trends. In 1960 the town of Fountain had 54% of the population of the Fountain Planning Area; in 1970 the town's share was 56% of the total planning area population (see table 1). Using the town's historic share of approximately 55% of the planning area population there will be an additional 215 people in Fountain by the year 2000.

The average household size within Fountain is 2.45 persons per household. This estimate is based upon the random sample survey of the households within the town. If the average household size does not change dramatically there will be 88 additional housing units required within Fountain by the year 2000. This yields an average increase of 4 units per year due to projected population increase.

In addition to the units required for population expansion 38 units are required through current need. The town will soon have 20 units of subsidized low income housing

which should account for all but 18 of the units. These units may be obtained through certain programs which will be described in the following report.

Housing Demand

With some general population and economic factors and the gross dwelling unit requirements identified it is possible to estimate the quantity and types of dwelling units that will be in demand in the future. Since the demand for different types of dwelling units is affected by national and economic conditions a discussion of the recent economics of home buying will be presented.

To identify the quantity and types of dwelling units that may be in demand it is important to determine the distribution of housing types which currently exist. Table 2 presents the current housing distribution based upon the random sample household survey.

For the future, it is assumed that the average distribution which currently exists will continue with only slight alteration. Thus, the average percentage distribution between the number and types of dwelling units that existed in 1977 is applied to the projected total number of housing units required by the year 2000. The forecasted number and type of dwellings required through the year 2000 is presented on table 3.

It is clear from table 3 that a mixture of various dwelling unit types and price ranges will be required in Fountain in the coming years. Although the single family dwelling unit should retain its major role, multi-family units,

modular structures and mobile homes may play an increasingly significant role in filling housing requirements. Although mobile homes do not constitute a large proportion of the total number of dwelling units in Fountain, they present a housing alternative which can not be ignored.

The forecast for alternative solutions other than single family houses seems justifiable for several reasons. There appears to be an increasing number of elderly single person households in Fountain. This group generally constitute a major market for specialized rental housing. The close proximity of Farmville may also provide an economic incentive for rental housing in a competitive setting. Another factor is the cost of buying a home given current economic conditions.

Based upon national averages the cost of buying and maintaining a new single family house may soon be out of reach for a significant proportion of Americans. Between 1955 and 1975 the median value of a home has increased 191% while total disposable income increased 189%. Moreover, interest rates have risen significantly from 4.875% to about 9.000% over the same twenty year period. Other costs have risen as well; property taxes, liability insurance and maintenance and repair costs have all increased approximately 250% since 1955. Overall, total monthly housing expenses have increased 305% over the last twenty-three years.

As with the homeowner, the renter has not escaped inflationary living costs. However, many people especially

those with low to middle incomes are forced to rent simply because they can not afford to enter the home-buying market under existing economic conditions. The annual income needed to qualify for a median priced home of \$39,000 is about \$21,000. The majority of Americans today earn less per year.

TABLE 1
POPULATION OF FOUNTAIN
AND THE
FOUNTAIN PLANNING AREA

<u>Year</u>	<u>Planning Area</u>	<u>Incorporated Area</u>
1960	927	496
1970	776	434
1980	930	512
1990	1031	567
2000	1100	605

TABLE 2
DISTRIBUTION OF HOUSING UNITS
BY SIZE
OF STRUCTURE

(Based Upon a 1977 Random Sample Household Survey)

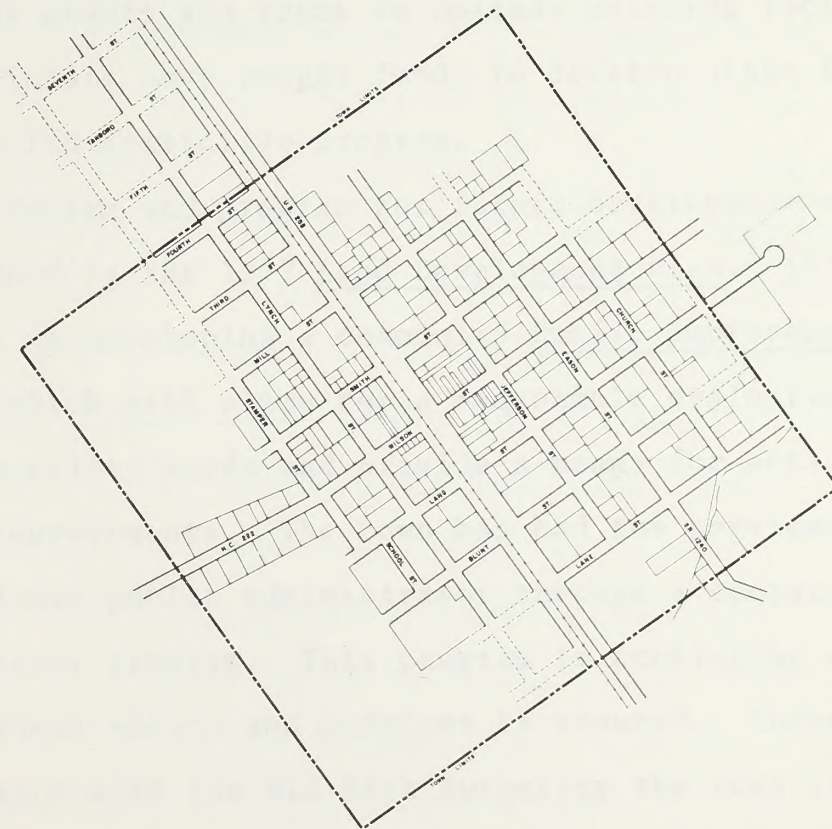
	<u>Sample Size</u>	<u>% Share</u>
1 Room Units	---	0
2 Room Units	---	0
3 Room Units	2	4.1
4 Room Units	17	34.7
5 Room Units	14	28.5
6 Room Units	7	14.3
7 Room Units	4	8.2
8 or More Room Units	5	10.2

TABLE 3
PROJECTED DISTRIBUTION OF HOUSING
UNITS THROUGH
THE YEAR 2000

	<u>Number of Units</u>	<u>Proportion</u>
1 Room Units	5	2%
2 Room Units	7	3%
3 Room Units	12	5%
4 Room Units	79	32%
5 Room Units	69	28%
6 Room Units	35	14%
7 Room Units	20	8%
8 or More Room Units	20	<u>8%</u> 100%

CHAPTER V

Housing Goals and Objectives



CHAPTER V

Housing Goals and Objectives

The public has the responsibility for helping to provide safe, adequate and decent housing to those who cannot, through their own efforts or through the vagaries of the private marketplace, provide for themselves.

Many of Fountain's residents and town officials have taken the initiative during the last decade to improve the community as a place to live. These actions include the development of water and sewer studies in order to apply for grants and loans to upgrade existing facilities. Town officials have sought funds to develop plans for a Rural Health Initiative program.

A design and program for future development was established in the 1977 Land Development Plan. This year the town is developing a community Public Improvements Program which will allow for a reasonable evaluation of public facility needs and provide a means for obtaining the needed improvements. The town has had the services of a professional public administrator through a cooperative town advisor program. This program is continuing and professional advice and services is assured. Through cooperation with the Mid-East Authority the town is constructing 20 units of subsidized housing for low income residents of the town. The town also has a joint economic development program with Pitt County.

In order to make a continued effort at improving the town the following goals and objectives were adopted by the Board of Commissioners of Fountain. The goals are followed by a list of objectives which can be implemented over a three year period of time in order to reach the desired end.

Goal I: Provide adequate housing for all citizens in the town with all the associated necessities.

Objectives to meet Goal

- a. Adopt a minimum housing and building code.
- b. Appoint a town employee as the code enforcement officer as a collateral duty.
- c. Request the code enforcement officer to inspect the vacant housing units and those units vacated for the low income housing.
- d. Apply for community development funds to provide for sewage collection in those areas not presently being served.

Goal II: Encourage greater home ownership throughout the community.

- a. The town should consider sponsoring a home ownership class for residents within the community.
- b. Consider establishing a home ownership information bulletin board within the town hall.

Goal III. Provide a variety of housing opportunities throughout the community.

Objectives to meet Goal

- a. Explore the possibility of various housing alternatives within Fountain such as mobile homes, prefabricated and modular structures as replacements for sub-standard housing.
- b. A request to the Mid-East Regional Housing Authority and to HUD for an additional twenty units of Section 8 low income rent-subsidized be allocated to Fountain once the initial twenty units are built and occupied.
- c. Consider requesting high school officials to allow students to make home improvements on substandard homes within the community.
- d. Continue to cooperate with agencies such as the Martin County Community Action Program.

Goal IV. Encourage civic involvement in neighborhood improvement programs.

Objectives to meet Goal

- a. The town board should consider requesting the local Farmers Home Administration and Pitt County Agricultural Extension agent to help local church groups to start a self help program in Fountain. The focus of this program could be to give examples of ways to make low cost improvements and help initiate a town clean up campaign.
- b. Consider establishing a community improvement committee and request all civic organizations to coordinate their community and civic services through this board.

Goal V. Assure an adequate supply of housing for the elderly.

- a. Request the building inspector to monitor the housing needs of the elderly.
- b. Request the Mid-East Housing Authority and HUD to consider the special needs of the elderly in Fountain in any future housing allocations for the town.
- c. Continue to cooperate with winterization, weatherization and other programs for the elderly.

Outside sources for meeting goals and objectives

A number of governmental agencies have technical assistance and financial resources for assisting communities and individual families with their housing problems. The following is a listing of some of the outside resource programs that may help in meeting the needs of Fountain's poorly housed citizens. Detailed information may be obtained from the sponsoring agencies such as:

- 1) The Department of Housing and Urban Development;
- 2) Federal Housing Administration'
- 3) Farmers Home Administration;
- 4) The Housing Section within the North Carolina Department of Natural Resources and Community Development. Private lending institution loan officers can also supply information about available loan subsidy programs.

The list which follows gives a brief description of the kinds of housing programs available.

FARMERS HOME ADMINISTRATION (FmHA)

*Local Contact

County Supervisor
Federal Building
Box 897
Greenville, NC 27834
(919) 275-4418

*FmHA Section 512 Homeownership Loan Program

The Farmers Home Administration's basic home improvement program is known as Section 502 of the Housing Act of 1949. The purpose of this program is to provide 100 percent loans to homeowners who want to buy, build, rehabilitate, or relocate a home. The repayment period on 502 loans can be a maximum of 33 years. For low income families (less than \$10,000 annually), the interest rate can go down to 1 percent. Use of the loan for substandard home rehabilitation requires bringing the unit up to code standards.

In addition, the 502 program has what are called "1:2:3 Home Improvement Loans" for low income homeowners. Maximum loans can be for \$7,000 with a 25 year maximum repayment period. Interest rates for adjusted family income under \$3,000; \$3,000 - \$5,000; and \$5,000 - \$7,000 are 1, 2, and 3 percent, respectively (hence the term 1:2:3 loans).

*FmHA Section 504 Home Repair Program

This program is designed for providing loans and grants to low income families. Grants, however, are restricted to the elderly. Funds can be used for a variety of basic "necessity-type" improvements, including: plumbing facilities, adding a room, repairing, etc.

Section 504 applicants must first lack means to repay a standard Section 502 loan. Maximum sized loans and repayment periods range from \$1,500, with repayment in 10 years, to \$5,000 loans for 20 years.

*FmHA Section 515 Rural Rental and Cooperative Housing Loans

This is a program which permits loans for front-end money to build qualifying rental units. Applicants can be private, public, and non-profit groups. Funds can be used for constructing new rental housing or for the purchase or repair of existing rental housing.

Public bodies such as the Mid-East Housing Authority pay as low as 1 percent interest, while private developers receive 9 percent loans, and non-profit cooperatives pay 3 percent interest.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

*Local Contact

HUD Area Office
415 Edgeworth Street
Greensboro, NC 27401

*Section 8 Lower Income Rental Assistance

This is a rent subsidy for low-income families to help them afford decent housing in the private market.

HUD makes up the difference between what a lower-income household can afford and the fair market rent for an adequate housing unit. No eligible tenant need pay more than 25 percent of adjusted income toward rent. Housing subsidized by HUD must meet certain standards of safety and sanitation, and rents for these units must fall within the range of fair market rents as determined by HUD. This rental assistance may be used in existing housing or in new construction or substantially rehabilitated units. Different procedures apply in each case.

The Mid-East Housing Authority may administer such a housing program, certify eligible tenants, inspect the units proposed for subsidy, and contract with approved landlords for payment. (Tenants execute separate leases with landlords to pay their share of rent.)

Non-profit and profit-motivated developers, alone or together with public housing agencies, submit proposals for substantial rehabilitation or new construction in response to invitations from HUD; or they may apply to their State housing finance agency. On approval of the proposals, HUD contracts to subsidize the units to be occupied by eligible families.

Tenants must be low to moderate income, with incomes up to \$8,080 in 1976).

*HUD Section 202 Loan Program for Rental Housing for the Elderly and Handicapped

The Section 202 program provides direct loans to non-profit sponsors (Mid-East Regional Housing Authority) to construct new housing or substantially rehabilitate housing for the elderly and the handicapped. Financing is limited to projects using Section 8 rental assistance payments.

Tenants eligible for Section 202 projects include single persons who are 62 years old or over, or handicapped and whose income is not more than 80 percent of the Pitt County median income.

*HUD Section 207 Mortgage Insurance for Mobile Home Courts

This program is designed to help finance or rehabilitate

mobile home parks. The Federal Housing Administration (FHA) insures mortgages made by private lending institutions on the entire park site. Mortgages are limited to \$3,900 per individual mobile home space in the park.

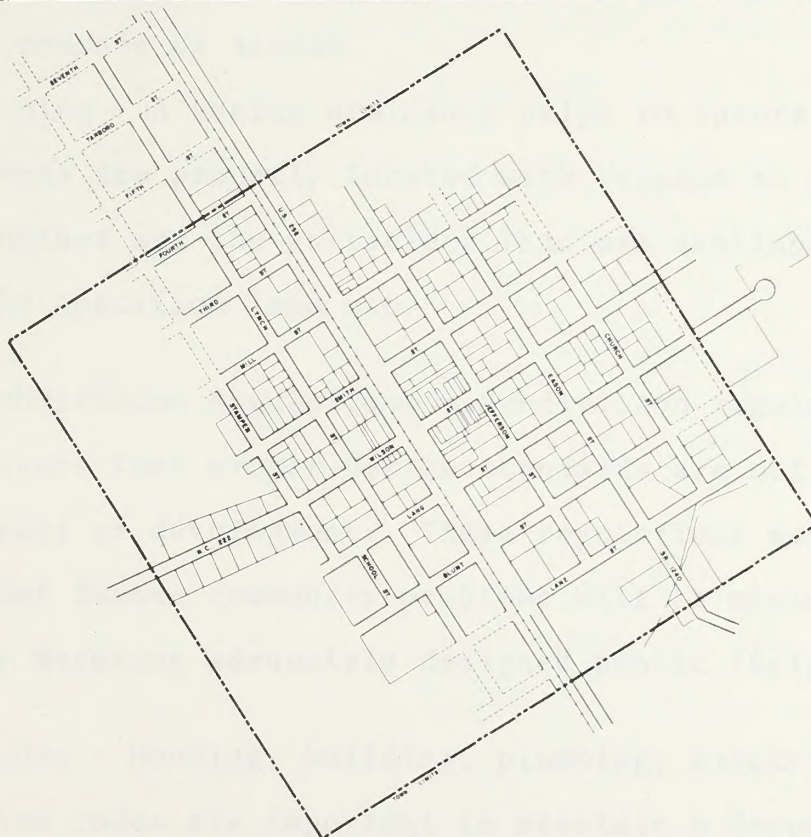
Developers who meet FHA requirements apply to an approved FHA lending institution after consultation with the local FHA insuring office.

*HUD Community Development Block Grant

The purpose of this program is to provide communities with direct block grants for a range of activities previously eligible under separate categorical grant programs; Urban Renewal; Neighborhood Development Grants; Model Cities; Water and Sewer Grants; Neighborhood Facilities Grants; Public Facilities Loans; Rehabilitation Loans; Open Space and Urban Beautification; and Historic Preservation Grants.

CHAPTER VI

Housing Policies



CHAPTER VI

HOUSING POLICIES

Public Policies and Activities

Many housing needs and demands will have to be met through some type of federally assisted programs. The current need which has already been described will require assistance through one or more of the programs, which have already been outlined.

Units of local government may alleviate housing needs, help satisfy housing demand and solve problems through several courses of action.

Zoning - A zoning ordinance helps to insure land areas are properly located with respect to one another and the sufficient land use available for the specified land use.

Subdivision Regulations - Subdivision regulations can assure that proper design standards are met in new areas of development. These regulations assure that future community problems will be minimized by assuring adequately designed public facilities.

Codes - Housing, building, plumbing, electrical and fire codes are important to maintain a decent housing stock. Properly enforced these codes insure adequate health, sanitation and safety standards for community living.

Community Development - Funds for community development in low to moderate income areas may be available from the Community Development Act of 1974. Money from this act may be used for a variety of purposes (as outlined).

Planning - Proper planning can aid in meeting housing needs and demands by providing information which can be used to find satisfactory locations for new housing and to assure that new and existing neighborhoods are provided with adequate community facilities and services.

Private Activities - As housing costs continue to rise, it will be the task of the private housing industry to help make technological breakthroughs in such areas as building materials and new methods of construction in an effort to build a more economic house.

Non-Discrimination Policies

In order to assure that induced housing segregation does not occur through racial prejudice several measures are currently being taken by town officials:

- 1) The town is applying for Community Development Funds and is complying with all non-discrimination and fair housing requirements.
- 2) A general review of all local codes, ordinances and policies to remove any discriminatory restrictions which may exist is scheduled for fiscal year 1978-1979.
- 3) The town is currently building 20 units of rent subsidized housing through the Mid-East Housing Authority. These units will be available to all needy towns people on a non-discriminatory basis.

Planning Coordination

Government coordination in the housing field is particularly important, as many housing problems often cannot and should not be controlled by one level of government. In the future, regional allocation and cooperative ventures will play a crucial role in forecasting the required housing development. All federally funded housing projects within Robersonville will as a matter of course be reviewed for consistency with state and regional housing policies.

The information used to develop this analysis was based upon the same data used to develop the Land Development Plan. The policies, goals and objectives of this Housing Element are totally consistent with those of the Land Development Plan. Future Community Facilities Policies will be based upon the Land Development Plan and the Housing Element. Allocations of housing to specific areas was not provided because this is done in the Development Plan.

Evaluation

It is recommended that a progress report be made at the end of a one year period for the next three years. This report should contain the number of new housing units started and completed over the previous year and a breakdown between new privately financed dwelling units and governmentally assisted ones should be made. The report should also contain an evaluation of the goals and objectives for that year and explanations should be made if they are not 80% complete. In some instances it may be necessary to reprioritize objectives and their implementation if unforeseen difficulties arise.

This report should be made by the town advisor. It should be presented to the Mayor and the Board of Commissioners no later than the second meeting of the Board of Commissioners of the year.

APPENDIX A
ENVIRONMENTAL ASSESSMENT

Pursuant to the requirements and guidelines established by the National Environmental Policy Act, the Council on Environmental Quality, the U. S. Department of Housing and Urban Development, the North Carolina Environmental Policy Act and Section 600.65 (b) of the 1977 Federal Register concerning housing element guidelines, the following statement outlines the general impacts which this housing element will have upon the environment of Fountain.

Abstract of the Housing Element

The Initial Housing Element for Fountain includes an analysis of the factors affecting housing conditions and the increase of the housing stock of the town. The factors considered included population and economic trends, housing conditions, crowding condtions, housing needs and community facilities availability. Based upon an analysis of these conditions and upon the goals and objectives determined by the Fountain Town Council future housing growth is projected for the town. Accompanying the housing element is a discussion of public actions and other measures recommended to achieve implementation of the housing element.

Environmental Effects

Beneficial Effects

- 1) More efficient use of existing housing stock.
- 2) Improvement of aesthetic conditions and elimination of blighting housing conditions.
- 3) Elimination of unsanitary housing conditions and elimination of potential health hazards.
- 4) Redevelopment and infill building is encouraged to lessen the demand and use of undeveloped land.
- 5) Adoption and enforcement of zoning regulations conforming to the Land Use Plan is recommended to assure that housing development will occur in an orderly manner. Vegetation and natural areas can be protected by these regulations as well.

Adverse Effects

- 1) As even well-planned new development occurs, some natural vegetation will be lost and there will be some increases in storm water run-off. A larger population will mean an increase in sewer effluent and solid waste production.
- 2) As additional housing development occurs, open space will be consumed.
- 3) Construction of new water and sewer facilities and new streets could cause some short term adverse environmental impacts such as dust, sedimentation and destruction of natural vegetation.

Unavoidable Adverse Environmental Effects

Increases in storm water run-off and in waste products, loss of some natural vegetation, loss of some productive agricultural lands can not be stopped if orderly growth is to occur.

Alternatives

Residential growth occurring without a properly designed program could result in much more inefficient land use; overburdening of public facilities; congestion of transportation facilities and intrusion into environmentally acceptable methods of disposing of its waste products and improving the living environment of its residents is predicated upon some economic and physical growth.

Alternative housing patterns of development have been considered but based upon the goals and objectives the recommended pattern is the most conservative of resources given the existing housing demand. The recommended arrangement is believed to be preferable for the following environmentally significant reasons:

- 1) the recommended housing development form is compact requiring fewer new streets and shorter public utility lines
- 2) future housing development is recommended for area which may be served with public utilities without great additional public expense

- 3) conservation of the existing housing stock is recommended thus preserving commitment of additions; natural resources.

Relationship Between Short Term Uses of the Environment and Maintenance of Long-Term Productivity

This housing element proposes orderly and systematic growth which will encourage efficient land use and protection of natural resources. Although unused vacant areas will be developed in coming years, the urban growth will be efficiently planned and constructed.

Irreversible and Irretrievable Commitments of Resources

The conversion of agricultural and wooded lands to residential use can not be reversed without severe hardship upon the residents of Fountain. A compact form of development however will minimize the loss of undeveloped lands.

Applicable Federal, State and Local Controls

Federal:

National Environmental Policy Act of 1969
Land and Water Conservation Fund Act of 1964
Environmental Quality Act of 1970
Flood Disaster Protection Act of 1973
Executive Order 11514, March 1970
Protection and Enhancement of Environmental Quality
Executive Order 11593, May 1971, Protection and Enhancement of the Cultural Environment
Rural Development Act of 1972

State: Water Use Act of 1967
Planning and Regulation of Development,
Chapter 160A, Article 19
Soil Conservation District Lay
of 1937
Sedimentation Pollution Control
Act of 1937
North Carolina Environmental Policy
Act of 1971
"Rules and Regulations Governing
the Control of Air Pollution,"
January 21, 1972
Control Standares Applicable to the
Surface Waters of N. C." October
13, 1970
"Rules and Regulations Providing
for the Protection of Public
Water Supplies,"
August 26, 1965; amended September
19, 1968
"Rules and Regulations Governing
the Disposal of Sewage from any
Residence, Place of Business or
Place of Public Assembly in North
Carolina." August 26, 1971:
amended January 8, 1974.

Local: Land Development Plan
Building and Plumbing Codes

APPENDIX B

HISTORIC PRESERVATION ASSESSMENT

Pursuant to the National Historic Preservation Act of 1966; the U. S. Department of Housing and Urban Development; General Statutes of the State of North Carolina concerning archeological and historical sites and Section 600.66 (d) of the 1977 Federal Register concerning housing element guidelines the following statement outlines the impacts which this housing element will have upon areas of historic or cultural concern with Fountain and the immediate surrounding area.

Abstract of the Housing Element

The Initial Housing Element for Fountain includes an analysis of the factors affecting housing conditions and the increase of the housing stock of the town. The factors considered include population and economic trends, housing conditions, crowding conditions, housing needs and community facilities availability. Based upon an analysis of these conditions and upon the goals and objectives determined by the Fountain Board of Commissioners, future housing growth is projected for the town. Accompanying the housing element is a discussion of public actions and other measures recommended to achieve implementation of the housing element.

Impacts Upon Properties of Historic or Cultural Concern

Beneficial Effects

- 1) Preservation of identified properties of historic or archeologic significance.
- 2) Retention of existing usable housing.
- 3) Preservation of historically distinct development patterns through infilling of vacant space.
- 4) Reuse of existing facilities and development of existing structures for residential purposes.
- 5) Cooperation with areawide historical planning.

Adverse Effects

There should be no direct adverse effects upon historical or cultural sites because of the Initial Housing Element. Some old structures may be lost during the period covered by the housing element because it is not feasible to convert them to residential use due to economic or other considerations.

Alternatives

Growth occurring without a future housing program could result in haphazard growth and endanger known historic or cultural areas. The towns ability to support historically and culturally responsible activities is dependent upon growth and development. Preservation of all existing structures is not desirable or economically feasible.

Alternative residential development programs were considered before the final recommendations were made. The recommended arrangement is consistent with the Land Development Plan and stated town policies. The recommended arrangement is felt to be acceptable for the following historically and culturally significant reasons:

- 1) The recommended housing element affects no properties on the National Register list of Historic Properties.
- 2) No archeological sites listed by the North Carolina Department of Cultural Resources are affected.
- 3) The housing element advocates reuse of existing structures for housing purposes.
- 4) Historically significant development patterns will be preserved through infilling of vacant spaces.

Impact of Plans on Long-Term Maintenance of Properties

The only foreseeable impact of the housing element on the long-term maintenance of historical and archeological sites should be beneficial. The proposed program should also protect the recognized historical properties and should seek to identify and protect other properties having historical and archeological significance during the planning period.

Applicable Federal, State and Local Controls

Federal:	National Historic Preservation Act of 1966 Executive Order 11593, May 1971, Protection and Enhancement of Environmental Quality The Archeological and Historic Preservation Act of 1974 "Protection of Historic and Cultural Properties" Federal Register - January 25, 1974
State:	Protection of Properties on National Register - General Statute 121-12 (a) State Environmental Policy Act - General Statute 113-A, Article 1 Archeological Salvage in Highway Construction - General Statute 136-42-1 Provision for Cultural Resources in Dredging and Filling Operations General Statute 113-229
Local:	Zoning Ordinance Building and Housing Code

Intent to Survey Areas for Cultural, Archeological and Historical Significance

The town of Fountain has complied with appropriate federal and state regulations. At present there are no federal National Register properties in the corporate limits or near the vicinity of Fountain. There are no known archeologically significant areas near Fountain. The division of Archives and History North Carolina Department of Cultural Resources was contacted and they indicate that no known archeological sites are near Fountain.

Before residential development occurs in previously open sites a survey of the area to be altered will be made. This survey will take into account any cultural resources which may be affected by the proposed development.

Although there are no sites within the Fountain vicinity which are currently on the National Register of Historic Places there is a three site which may be eligible for such designation.

Fountain Depot - At the northeast corner of Wilson Street and U. S. 258. A frame board and batten passenger station with bracketed eaves. Adaptively used as a warehouse.

Public Availability

This assessment is an integral part of the Initial Housing Element and is available with the complete document for the public review and comment.

